Sanitas, AB

UNAUDITED INTERIM CONDENSED CONSOLIDATED AND PARENT COMPANY'S FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009 PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS, AS ADOPTED BY THE EUROPEAN UNION AND SIX MONTHS' INTERIM CONSOLIDATED REPORT FOR THE PERIOD ENDED 30 JUNE 2009

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SANITAS, AB

UNAUDITED INTERIM CONDENSED CONSOLIDATED AND PARENT COMPANY'S FINANCIAL STATEMENTS AND SIX MONTHS' INTERIM CONSOLIDATED REPORT FOR THE PERIOD ENDED 30 JUNE 2009

Confirmation of Responsible Persons

Following the Article No. 22 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we Saulius Jurgelenas, General Manager of Sanitas, AB, Nerijus Drobavicius, Chief Financial Officer of Sanitas, AB and Ruta Milkuviene, Director of Corporate and Legal affairs of Sanitas, AB hereby confirm that, to the best of our knowledge, the attached unaudited interim condensed consolidated and parent company's financial statements for the period ended 30 June 2009, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of Sanitas, AB and Sanitas, AB group and that Six months interim consolidated report for the period ended 30 June 2009 gives true and fair review about the business development and activity of Sanitas, AB and Sanitas, AB group.

General Manager		Saulius Jurgelenas
Chief Financial Officer	N. Drobavičius	Nerijus Drobavicius
Director of Corporate and Legal affairs	R.	Ruta Milkuviene

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UNAUDITED INTERIM CONDENSED CONSOLIDATED AND PARENT COMPANY'S FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

General Information

Board of Directors

Mr. Ashwin Roy (Chairman of the Board)
Mr. Martynas Cesnavicius
Mr. Martin Oxley
Mr. Darius Sulnis
Mr. Darius Zaromskis

Management

Mr. Saulius Jurgelenas (General Manager)
Mr. Nerijus Drobavicius (Chief Financial Officer)

Registered office and company code

Veiveriu str. 134 B,
Kaunas,
Lithuania
Company code 1341 36296

Bankers

Bank PEKAO S.A.
Bank Zachodni WBK S.A.
Danske Bank A/S Lithuania Branch
Dom Maklerski BZWBK
Fortis Bank Polska S.A.
OAO Vneshtorgbank
Orszagos Takarekpenztar es Kereskedelmi Bank
PKO BP Oddzial
Slovenska sporitelna a.s.
Swedbank, AB
Tatra Bank a.s.
Tatra Leasing
Unikredit Bank sp. z o.o.
Vseobecna uverova banka a.s.

The interim condensed financial statements were approved and signed by the management on 25 August 2009.

Management:

N. Drobavičius

Mr. Saulius Jurgelenas
General Manager

Mr. Nerijus Drobavicius
Chief Financial Officer

(all amounts are in thousand LTL unless otherwise stated)

Statements of Comprehensive Income

	Notes	Group		Company	
		January – June 2009	**January – June 2008** (restated)	**January – June 2009**	**January – June 2008** (restated)
Sales	4	153,320	193,629	7,511	16,637
Cost of sales		(73,560)	(83,299)	(6,598)	(8,497)
Gross profit		**79,760**	**110,330**	**913**	**8,140**
Other income		2,818	1,188	275	258
Selling and distribution expenses	5	(39,556)	(46,623)	(1,388)	(1,692)
Regulatory affairs expenses	6	(6,566)	(8,231)	(550)	(487)
Research and development expenses		(758)	(1,621)	(210)	(110)
Administrative expenses	7	(17,201)	(17,570)	(5,138)	(6,992)
Other expenses		(2,234)	(809)	(215)	(265)
Operating profit (loss)		**16,263**	**36,664**	**(6,313)**	**(1,148)**
Financial activity, net	8	(18,807)	(16,067)	(1,632)	(1,001)
Profit (loss) before tax		**(2,544)**	**20,597**	**(7,945)**	**(2,149)**
Income tax	9	5,018	(622)	1,584	199
Net profit (loss)		**2,474**	**19,975**	**(6,361)**	**(1,950)**
Basic and diluted earnings per share (in LTL)		**0.08**	**0.64**		
Other comprehensive income (expenses):					
Exchange differences on translating foreign operation		(25,015)	29,972	-	-
Cash flow hedges	12	(1,519)	(665)	-	-
Income tax relating to components of other comprehensive income	12	290	126	-	-
Other comprehensive income (expenses) for the year, net of tax		**(26,244)**	**29,433**	**-**	**-**
Total comprehensive income (expenses) for the year, net of tax		**(23,770)**	**49,408**	**(6,361)**	**(1,950)**

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(all amounts are in thousand LTL unless otherwise stated)

Statements of Comprehensive Income (cont'd)

	Group		Company	
	April – June 2009	**April – June 2008**	**April – June 2009**	**April – June 2008**
		(restated)		(restated)
Sales	89,277	96,950	4,079	6,095
Cost of sales	(39,716)	(42,104)	(3,653)	(3,138)
Gross profit	**49,561**	**54,846**	**426**	**2,957**
Other income	1,388	345	252	(33)
Selling and distribution expenses	(22,071)	(22,724)	(666)	(1,057)
Regulatory affairs expenses	(3,864)	(4,704)	(269)	(311)
Research and development expenses	(240)	(829)	(80)	(64)
Administrative expenses	(8,620)	(9,473)	(2,342)	(4,081)
Other expenses	(1,539)	(601)	(208)	-
Operating profit (loss)	**14,615**	**16,860**	**(2,887)**	**(2,589)**
Financial activity, net	676	(8,142)	(1,614)	(518)
Profit (loss) before tax	**15,291**	**8,718**	**(4,501)**	**(3,107)**
Income tax	196	938	912	359
Net profit (loss)	**15,487**	**9,656**	**(3,589)**	**(2,748)**
Basic and diluted earnings per share (in LTL)	**0.50**	**0.31**		
Other comprehensive income (expenses):				
Exchange differences on translating foreign operation	10,402	22,284	-	-
Cash flow hedges	1,650	(665)	-	-
Income tax relating to components of other comprehensive income	(313)	126	-	-
Other comprehensive income (expenses) for the year, net of tax	**11,739**	**21,745**	**-**	**-**
Total comprehensive income (expenses) for the year, net of tax	**27,226**	**31,401**	**(3,589)**	**(2,748)**

(all amounts are in thousand LTL unless otherwise stated)

Balance Sheets

	Notes	Group		Company	
		As at 30 June 2009	**As at 31 December 2008**	**As at 30 June 2009**	**As at 31 December 2008**
ASSETS					
Non-current assets					
Property, plant and equipment	10	257,675	282,774	68,608	70,530
Intangible assets	11	269,254	294,342	973	1,044
Investments in subsidiaries		-	-	334,395	334,395
Other non-current financial assets	12	2,186	5,223	-	3
Deferred tax asset		32,368	31,014	3,622	2,055
Total non-current assets		**561,483**	**613,353**	**407,598**	**408,027**
Current assets					
Inventories		46,080	42,753	4,708	4,410
Prepaid income tax		1,647	2,067	1,595	1,589
Trade receivables		56,248	80,991	1,880	3,939
Other receivables		983	1,581	158	266
Prepayments and deferred expenses		4,856	3,860	173	145
Other current financial assets	12	7,973	5,793	-	-
Cash and cash equivalents		3,721	1,966	361	31
Total current assets		**121,508**	**139,011**	**8,875**	**10,380**
Total assets		**682,991**	**752,364**	**416,473**	**418,407**

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(all amounts are in thousand LTL unless otherwise stated)

Balance Sheets (cont'd)

	Notes	Group		Company	
		As at 30 June 2009	As at 31 December 2008	As at 30 June 2009	As at 31 December 2008
EQUITY AND LIABILITIES					
Equity					
Share capital		31,106	31,106	31,106	31,106
Share premium		248,086	248,086	248,086	248,086
Legal reserve		3,111	3,111	3,111	3,111
Fair value reserve		(10,901)	(9,672)	-	-
Translation reserve		(31,046)	(6,031)	-	-
Retained earnings		34,392	31,918	14,145	20,506
Total equity		**274,748**	**298,518**	**296,448**	**302,809**
Non-current liabilities					
Non-current loans	13	41,523	43,780	41,523	43,780
Financial lease obligations		2,987	4,428	539	718
Other non-current financial liabilities	12	6,042	7,522	-	-
Deferred tax liability		17,079	19,468	-	-
Deferred income from subsidies		15,505	15,892	15,505	15,892
Employee benefit liability		4,349	4,567	-	-
Total non-current liabilities		**87,485**	**95,657**	**57,567**	**60,390**
Current liabilities					
Current portion of non-current loans	13	222,470	255,704	10,747	13,799
Current portion of non-current financial lease obligations		3,266	3,432	630	938
Current loans	13	35,694	33,987	30,998	20,846
Trade payables		36,397	31,630	14,160	6,775
Income tax payable		28	107	-	-
Other current financial liabilities	12	7,416	4,417	-	-
Other current liabilities		15,120	28,434	5,923	12,850
Employee benefit liability		367	478	-	-
Total current liabilities		**320,758**	**358,189**	**62,458**	**55,208**
Total equity and liabilities		**682,991**	**752,364**	**416,473**	**418,407**

(all amounts are in thousand LTL unless otherwise stated)

Statements of Changes in Equity

Group	**Share capital**	**Share premium**	**Legal reserve**	**Fair value reserve**	**Translation reserve**	**Retained earnings**	**Total**
Balance as at 31 December 2007	**31,106**	**248,086**	**3,111**	**-**	**32,380**	**52,466**	**367,149**
Net profit for the period	-	-	-	-	-	19,975	19,975
Other comprehensive income (expenses)	-	-	-	(539)	29,972	-	29,433
Total comprehensive income and (expense) for the period (restated)	**-**	**-**	**-**	**(539)**	**29,972**	**19,975**	**49,408**
Dividends declared	-	-	-	-	-	(18,664)	(18,664)
Balance as at 30 June 2008 (restated)	**31,106**	**248,086**	**3,111**	**(539)**	**62,352**	**53,777**	**397,893**
Balance as at 31 December 2008	**31,106**	**248,086**	**3,111**	**(9,672)**	**(6,031)**	**31,918**	**298,518**
Net profit for the period	-	-	-	-	-	2,474	2,474
Other comprehensive (expenses)	-	-	-	(1,229)	(25,015)	-	(26,244)
Total comprehensive income and (expense) for the period	**-**	**-**	**-**	**(1,229)**	**(25,015)**	**2,474**	**(23,770)**
Balance as at 30 June 2009	**31,106**	**248,086**	**3,111**	**(10,901)**	**(31,046)**	**34,392**	**274,748**

Company	**Share capital**	**Share premium**	**Legal reserve**	**Retained earnings**	**Total**
Balance as at 31 December 2007	**31,106**	**248,086**	**3,111**	**51,439**	**333,742**
Net (loss) for the period	-	-	-	(1,950)	(1,950)
Total comprehensive income and (expense) for the period	**-**	**-**	**-**	**(1,950)**	**(1,950)**
Dividends declared	-	-	-	(18,664)	(18,664)
Balance as at 30 June 2008	**31,106**	**248,086**	**3,111**	**30,825**	**313,128**
Balance as at 31 December 2008	**31,106**	**248,086**	**3,111**	**20,506**	**302,809**
Net (loss) for the period	-	-	-	(6,361)	(6,361)
Total comprehensive income and (expense) for the period	**-**	**-**	**-**	**(6,361)**	**(6,361)**
Balance as at 30 June 2009	**31,106**	**248,086**	**3,111**	**14,145**	**296,448**

(all amounts are in thousand LTL unless otherwise stated)

Cash Flow Statements

	Group		Company	
	January – June 2009	**January – June 2008**	**January – June 2009**	**January – June 2008**
		(restated)		(restated)
Cash flows from (to) operating activities				
Profit (loss) before tax	(2,544)	20,597	(7,945)	(2,149)
Adjustments for non-cash items:				
Depreciation and amortisation	16,470	20,758	1,928	856
Loss from disposal and write-off of non-current assets	307	1,814	7	31
Loss from disposal Altisana, UAB	-	3	-	3
Change in value of financial instruments	(42)	870	-	-
Change in allowance and write-off of trade and other receivables	322	(16)	-	-
Change in allowance and write-off of inventories	553	1,623	(90)	(89)
Unrealised foreign currency exchange loss	14,142	(3,796)	(691)	(4)
Interest expenses	7,307	11,182	2,378	578
Interest (income)	(48)	(3)	-	(1)
Other non cash items	(382)	452	-	-
	36,085	53,484	(4,413)	(775)
Change in working capital:				
(Increase) decrease in inventories	(6,115)	(6,202)	(204)	664
(Increase) decrease in trade and other receivables and deferred charges	15,178	(12,748)	2,153	3,830
Increase (decrease) in trade and other payables and advances received	6,402	2,192	4,334	6,061
(Decrease) in employee benefits	(250)	(1,041)	-	-
Income tax (paid) received	297	(689)	-	-
Net cash flows from (to) operating activities	**51,597**	**35,003**	**1,870**	**9,780**
Cash flows from (to) investing activities				
(Acquisition) of non-current tangible assets	(2,936)	(36,213)	(1,655)	(29,488)
(Acquisition) of non-current intangible assets	(3,358)	(1,986)	-	(25)
Proceeds from sale of non-current assets	88	112	10	-
(Acquisition) of Laboratorium Farmaceutyczne HOMEOFARM sp. z.o.o., net of cash acquired	(6,976)	-	-	-
(Acquisition) of financial instruments	-	(774)	-	-
Settlement of financial instruments	2,270	-	-	-
Proceeds from sale of Altisana, UAB	-	8	-	8
Interest received	48	3	-	1
Net cash flows (to) from investing activities	**(10,864)**	**(38,850)**	**(1,645)**	**(29,504)**

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(all amounts are in thousand LTL unless otherwise stated)

Cash Flow Statements (cont'd)

	Group		Company	
	January – June 2009	**January – June 2008**	**January – June 2009**	**January – June 2008**
Cash flows from (to) financing activities				
Proceeds from loans	2,884	35,711	10,714	23,653
(Repayments) of loans	(32,906)	(25,576)	(8,671)	(2,072)
(Payment) of finance lease liabilities	(2,081)	(1,905)	(626)	(549)
Interest (paid)	(7,430)	(11,402)	(1,244)	(543)
Proceeds from grants	-	5,077	-	5,077
Dividends (paid)	(68)	(2,498)	(68)	(2,498)
Net cash flows (to) from financial activities	**(39,601)**	**(593)**	**105**	**23,068**
Net increase (decrease) in cash and cash equivalents	**1,132**	**(4,447)**	**330**	**3,344**
Net foreign exchange difference	**623**	-	**-**	-
Cash and cash equivalents at the beginning of the period	**1,966**	**13,683**	**31**	**248**
Cash and cash equivalents at the end of the period	**3,721**	**9,236**	**361**	**3,592**
Supplemental information of cash flows:				
Property, plant and equipment acquisition financed by finance lease	608	1,243	139	393

Notes to the financial statements

1. General information

Sanitas, AB (hereinafter the Company) is a public limited liability company registered in the Republic of Lithuania on 30 June 1994. The address of its registered office is as follows:

Veiveriu str. 134 B,
Kaunas,
Lithuania.

The Company is involved in production and trade of generic medicines, namely injection preparations, tablets, capsules and ointments. The Company's shares are listed in the Baltic Main List on NASDAQ OMX Vilnius, AB (previously known as Vilnius Stock Exchange).

As at 30 June 2009 and 31 December 2008 the shareholders of the Company were:

	30 June 2009		**31 December 2008**	
	Number of shares held (thousand)	**Percentage**	**Number of shares held (thousand)**	**Percentage**
Invalda, AB	6,394	20.56%	12,529	40.27%
Baltic Pharma Limited	6,315	20.30%	1,555	5.00%
Citigroup Venture Capital International Jersey Limited	5,312	17.08%	5,312	17.08%
Amber Trust II	3,952	12.70%	3,952	12.70%
Other	9,133	29.36%	7,758	24.95%
Total	31,106	100.00%	31,106	100.00%

On January 12, 2009, the shareholder company Invalda, AB completed a transaction whereby it sold 4,759,206 (15.3%) of Company's shares to Baltic Pharma Limited. Citi Venture Capital International Jersey Limited together with its related party Baltic Pharma Limited became the major shareholder of the Company, owning together 37.38% of the share capital.

The interim condensed consolidated financial statements include the financial statements of Sanitas, AB and the subsidiaries listed in the following table (hereinafter – the Group):

			% of equity interest	
Name	**Main activities**	**Country of incorporation**	**January – June 2009**	**January – June 2008**
Jelfa S.A.	Production and trade of medicines	Poland	100	100
Hoechst-Biotika spol. s.r.o.	Production and trade of medicines	Slovakia	100	100
Laboratorium Farmaceutyczne Homeofarm sp. z.o.o	Production and trade of medicines	Poland	100	-

The interim condensed financial statements were approved and signed by the Management on 25 August 2009.

2. Accounting principles

The principal accounting policies adopted in preparing the Group's and the Company's interim condensed financial statements for the year ended 30 June 2009 are as follows:

Basis of preparation

The interim condensed consolidated financial statements for the 6 months ended 30 June 2009 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's and the Company's annual financial statements as at 31 December 2008.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's and the Company's annual financial statements for the year ended 31 December 2008, except for the adoption of new Standards and Interpretations as of 1 January 2009, noted below:

Amendment to IFRS 2 Share-based Payment **–** Vesting Conditions and Cancellations
The amendment clarifies the definition of a vesting condition and prescribes the treatment for an award that is effectively cancelled. The adoption of this amendment did not have any impact on the financial position or performance of the Group, as the Group does not have share-based payments.

Amendments to IFRS 7 Financial Instruments: Disclosures
The amended standard requires additional disclosure about fair value measurement and enhance existing principles for disclosures about liquidity risk associated with financial instruments. The disclosures are not significantly impacted by the amendments.

IFRS 8 Operating Segments
The standard requires disclosure of information about the Group's and the Company's operating segments and replaces the requirements to determine primary (business) and secondary (geographical) reporting segments of the Group and the Company. Adoption of this Standard did not have any effect on the financial position or performance of the Group of the Company. The Group and the Company determined that the operating segments were the same as the business segments previously identified under IAS 14 Segment Reporting. Additional disclosures about each of these segments are shown in Note 4.

IAS 1 Revised Presentation of Financial Statements
The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with the owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income: it presents all items of recognized income and expense, either in one single statement, or in two linked statements. The Group and the Company has elected to present one single statement.

IAS 23 Borrowing Costs (Revised)
The revised standard eliminates the option of expensing all borrowing costs and requires borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. The Group and the Company applied borrowing costs capitalisation option of previously effective IAS 23, therefore there were no impact on the Group's and the Company's financial statements on the adoption of the revised standard.

IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
The standards have been amended to allow a limited scope exception for puttable financial instruments to be classified as equity if they fulfill a number of specified criteria. The adoption of these amendments did not have any impact of the financial position or performance of the Group as the Group has not issued such instruments.

IFRIC 13 Customer Loyalty Programmes
This interpretation requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted and therefore part of the fair value of the consideration received is allocated to the award credit and deferred over the period that the award credit is fulfilled. The Group does not maintain customer loyalty programmes, therefore, this interpretation had no impact on the financial position or performance of the Group.

2. Accounting principles (cont'd)

Significant accounting policies (cont'd)

IFRIC 9 Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement
The amendments clarify the accounting treatment of embedded derivatives for entities that make use of the reclassification amendment to IAS 39 and IFRS 7 issued in October 2008. The Group did not have financial instruments caught by these amendments.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation
The interpretation is to be applied prospectively. The interpretation provides guidance on the accounting for a hedge of a net investment in a foreign operation. IFRIC 16 had no any impact on the consolidated financial statements because the Group does not have hedges of net investments.

Improvements to IFRSs

In May 2008 IASB issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact of the financial position or performance of the Group.

- *IAS 1 Presentation of Financial Statements*. Assets and liabilities classified as held for trading in accordance with IAS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in the balance sheet. The Group amended its accounting policy accordingly and analysed whether Management's expectations of the period of realization of financial assets and liabilities differed from the classification of the instruments. This did not result in any re-classification of financial instruments between current and non-current in the balance sheet.
- *IAS 16 Property, Plant and Equipment.* Items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale. Also, replaced the term "net selling price" with "fair value less costs to sell". The Group amended its accounting policy accordingly, which did not result in any change in its balance sheet.
- *IAS 23 Borrowing Costs.* The definition of borrowing costs is revised to consolidate the two types of items that are considered components of 'borrowing costs' into one – the interest expense calculated using the effective interest rate method calculated in accordance with IAS 39. The Group amended its accounting policy accordingly, which did not result in any change in its balance sheet.
- IAS 38 *Intangible Assets*. Expenditure on advertising and promotional activities is recognised as an expense when the entity either has the right to access the goods or has received the service. This amendment has not impact on the Group because it does not enter into such promotional activities. The reference to there being rarely, if ever, persuasive evidence to support an amortisation method of intangible assets other than a straight-line method has been removed. The Group reassessed the useful lives of its intangible assets and concluded that the straight-line method was still appropriate.

The amendments to the following standards below did not have any impact on the accounting policies, the balance sheet or performance of the Group:

- *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.*
- *IFRS 7 Financial Instruments: Disclosures.*
- *IAS 8 Accounting Policies, Change in Accounting Estimates and Errors.*
- *IAS 10 Events after the Reporting Period.*
- *IAS 16 Property, Plant and Equipment.*
- *IAS 18 Revenue.*
- *IAS 19 Employee Benefits.*
- *IAS 20 Accounting for Government Grants and Disclosures of Government Assistance.*
- *IAS 23 Borrowing Costs.*
- *IAS 27 Consolidated and Separate Financial Statements.*
- *IAS 28 Investment in Associates.*
- *IAS 29 Financial Reporting in Hyperinflationary Economies.*
- *IAS 31 Interest in Joint ventures.*
- *IAS 34 Interim Financial Reporting.*
- *IAS 36 Impairment of Assets.*
- *IAS 38 Intangible Assets.*
- *IAS 39 Financial Instruments: Recognition and Measurement.*
- *IAS 40 Investment Property.*
- *IAS 41 Agriculture.*

3. Retrospective restatement and change in presentation of comparative amounts

Retrospective restatement

In June 2008 the Group company Jelfa S.A. acquired financial instruments – currency exchange options and interest rate swaps. Valuation and presentation of those instruments used as of 30 June 2008 was updated preparing 2008 annual financial statements. Currency exchange options were classified as derivatives not designated as hedging instruments, while interest rate swaps were accounted as cash flow hedges in financial statements as of 31 December 2008. Updated accounting principles were confirmed by auditors and are applied since that date. The Group management decided to restate valuation of instruments as of 30 June 2008 in these financial statements in order to present the comparative information correctly. The above mentioned restatement resulted in a decrease of semiannual and second quarter 2008 financial activity result by LTL 871 thousand and decrease in income tax expenses by LTL 166 thousand, which resulted in total decrease of net result by LTL 705 thousand and decrease in Group equity by LTL 1,267 thousand as at 30 June 2008.

Due to this retrospective restatement the earning per share of the Group for the first half and second quarter of 2008 decreased by LTL 0.02.

Change in presentation

As at 31 December 2008 the Group and the Company changed the presentation of the income statements. Regulatory affairs expenses and Research and development expenses were segregated from Administrative and Selling and distribution expenses and presented separately due to their different function. Also all allocated IT department expenses in the subsidiary Jelfa S.A. were reclassified to Administrative expenses. Mentioned changes in presentation provide more relevant information for the shareholders and the management board to an understanding of the Group's and the Company's financial performance.

Due to these reclassifications the comparative income statement information of the Group and the Company has been adjusted: the Group's cost of sales in the period ended 30 June 2008 decreased by LTL 2,864 thousand, Other income decreased by LTL 451 thousand, Selling and distribution expenses decreased by LTL 4,843 thousand, Administrative expenses decreased by LTL 3,307 thousand and Other expenses increased by LTL 711 thousand. The Company's Selling and distribution expenses decreased by LTL 244 thousand and Administrative expenses decreased by LTL 353 thousand in comparison to what was reported in semi annual financial statement of year 2008.

4. Segment information

For management purposes, the Group is organised into business units on their products, and has four reportable segments: injectables, tablets, ointments and eye drops and pre-filled syringes. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Operating expenses, which are directly related to the operating segments are allocated to the particular segments. Other operating expenses, related to ordinary activities are indirectly allocated to operating segments – pro rata production volumes in the period. One-off operating expenses (e.g. expenses on the strategic options research in 2008) are not allocated to the segments. Financial activities and income taxes are managed on a Group level and are not allocated to the operating segments as well.

(all amounts are in thousand LTL unless otherwise stated)

4. Segment information (cont'd)

The following tables present revenue and profit information regarding the Group's operating segments for the period ended 30 June 2009 and 2008, respectively.

Group	Injectables		Tablets		Ointments		Eye drops, syringe		Unallocated		Total	
	1H 2009	1H 2008	1H 2009	1H 2008	1H 2009	1H 2008	1H 2009	1H 2008	1H 2009	1H 2008	1H 2009	1H 2008
Own products sales	20,563	30,723	42,945	51,018	49,212	73,387	-	-	2,007	671	**114,727**	**155,799**
Toll manufacturing sales	23,757	24,759	13,823	12,186	940	787	-	-	73	98	**38,593**	**37,830**
Total revenue	**44,320**	**55,482**	**56,768**	**63,204**	**50,152**	**74,174**	**-**	**-**	**2,080**	**769**	**153,320**	**193,629**
Profit (loss) before taxes*	**(4,241)**	**10,882**	**6,321**	**(943)**	**15,300**	**28,577**	**(242)**	**-**	**(19,682)**	**(17,919)**	**(2,544)**	**20,597**

Company	Injectables		Tablets		Ointments		Eye drops, syringe		Unallocated		Total	
	1H 2009	1H 2008	1H 2009	1H 2008	1H 2009	1H 2008	1H 2009	1H 2008	1H 2009	1H 2008	1H 2009	1H 2008
Own products sales	3,807	4,370	1,652	2,917	916	1,283	-	-	(116)	(3)	**6,259**	**8,567**
Toll manufacturing sales	1,252	8,070	-	-	-	-	-	-	-	-	**1,252**	**8,070**
Total revenue	**5,059**	**12,440**	**1,652**	**2,917**	**916**	**1,283**	**-**	**-**	**(116)**	**(3)**	**7,511**	**16,637**
Profit (loss) before taxes*	**(5,010)**	**(1,105)**	**(1,176)**	**(65)**	**449**	**114**	**(242)**	**-**	**(1,966)**	**(1,093)**	**(7,945)**	**(2,149)**

* Profit (loss) before taxes include gross profit less operating expenses.

There have been no material changes in operating segments assets allocation since the disclosed in the last annual financial statements.

Unallocated sales mainly include sales of syrups and suspensions, which cat not be attributed to the other segments.

Toll manufacturing sales of the Company decreased significantly during the first half of 2009 in comparison to the same period of 2008 as production in old facility of Sanitas in Kaunas was terminated in the first half of 2008.Toll manufacturing in the new facility will start in the third quarter of 2009. Sales at Group level remained at the similar level as the toll manufacturing contracts from the Company were temporary transferred to the other Group entities.

(all amounts are in thousand LTL unless otherwise stated)

4. Segment information (cont'd)

The Group's sales are performed mainly in Poland, Russia, Latvia, Germany, Slovakia, Lithuania and other countries. Information by geographical segments for the period s ended 30 June 2009 and 2008 is as follows:

	Group						Company					
	Own products sales		Toll manufacturing sales		Total		Own products sales		Toll manufacturing sales		Total	
	1H2009	1H2008	1H2009	1H2008	1H2009	1H2008	1H2009	1H2008	1H2009	1H2008	1H2009	1H2008
Poland	71,880	100,871	1,830	1,410	**73,710**	**102,281**	188	110	-	-	**188**	**110**
Russia	17,227	27,828	-	-	**17,227**	**27,828**	-	-	-	-	**-**	**-**
Latvia	250	335	14,109	17,125	**14,359**	**17,460**	250	335	1,252	8,070	**1,502**	**8,405**
Germany	-	-	12,091	10,442	**12,091**	**10,442**	-	-	-	-	**-**	**-**
Slovakia	2,510	1,006	8,152	5,906	**10,662**	**6,912**	-	-	-	-	**-**	**-**
Lithuania	5,821	8,123	-	-	**5,821**	**8,123**	5,821	8,122	-	-	**5,821**	**8,122**
Ukraine	4,199	3,954	-	-	**4,199**	**3,954**	-	-	-	-	**-**	**-**
Czech	3,404	2,125	680	754	**4,084**	**2,879**	-	-	-	-	**-**	**-**
Hungary	1,669	2,452	860	1,776	**2,529**	**4,228**	-	-	-	-	**-**	**-**
Georgia	2,416	3,356	-	-	**2,416**	**3,356**	-	-	-	-	**-**	**-**
Vietnam	1,523	700	-	-	**1,523**	**700**	-	-	-	-	**-**	**-**
Kazakhstan	1,460	1,248	-	-	**1,460**	**1,248**	-	-	-	-	**-**	**-**
Bulgaria	1,056	1,374	-	-	**1,056**	**1,374**	-	-	-	-	**-**	**-**
Belarus	726	1,213	-	-	**726**	**1,213**	-	-	-	-	**-**	**-**
Switzerland	-	-	558	252	**558**	**252**	-	-	-	-	**-**	**-**
Moldova	211	330	-	-	**211**	**330**	-	-	-	-	**-**	**-**
USA	-	-	163	-	**163**	**-**	-	-	-	-	**-**	**-**
Uzbekistan	163	83	-	-	**163**	**83**	-	-	-	-	**-**	**-**
Great Britain	-	-	150	128	**150**	**128**	-	-	-	-	**-**	**-**
Kyrgyzstan	118	100	-	-	**118**	**100**	-	-	-	-	**-**	**-**
Other countries	94	701	-	37	**94**	**738**	-	-	-	-	**-**	**-**
Total	**114,727**	**155,799**	**38,593**	**37,830**	**153,320**	**193,629**	**6,259**	**8,567**	**1,252**	**8,070**	**7,511**	**16,637**

During the first quarter of 2009 sales of own products in Poland decreased by 48% in comparison to the same period of 2008 due to three main reasons. The Group discontinued sales of non-harmonized products in this market since 1 January 2009. The Group has also changed the packaging materials for some products and re-registration process was finalized in January-February 2009 only, which resulted in lower sales during January-February 2009. Third reason for significant decrease of sales in Poland is PLN/LTL foreign exchange rate. The consolidated financial report is prepared in LTL, while sales in Poland are made in PLN. Average PLN/ LTL foreign exchange that was used for consolidation purposes for the first quarter 2009 decreased by 20.9% comparing to the same period in 2008 (0.7643 PLN/LTL for the first quarter of 2009 and 0.9660 PLN/LTL for the same period in 2008).

Sales to Poland market recovered in the second quarter of 2009 and reached LTL 46,592 thousand level in comparison to the first quarter LTL 25,288 thousand. In local currencies sales reached PLN 60,131 thousand in second quarter of 2009 showing 17.4% growth comparing to the same period of 2008 (PLN 51,217 thousand in the second quarter of 2008).

At the beginning of 2009 the Group stopped all shipments to Russian customers that had overdue accounts payable to the Group companies. During the first quarter Group collected most of its overdue accounts receivable from Russian customers. Shipments were renewed in March only to financially sound customers that fully settles their accounts payable with the Group, therefore the second quarter sales to Russia in local currency are higher than the first quarter sales, but lower than 2008 sales in the same period.

Sales to Ukrainian customers increased and were not affected by the above mentioned reasons that were applicable to Russia, because hard cash collection process was started in 2008 and was finalised in December 2008.

Rapid sales growth continued in Czech and Slovak markets. Sales to Hungarian market recovered in the second quarter of 2009 and reached LTL 935 thousand in comparison to LTL 734 thousand in the first quarter of 2009.

Sales in Lithuanian market decreased comparing to 2008 due to the fact, that medicines manufactured in the new plant of the Company will be available for sale in the second half of 2009, after they pass stability tests and after registration procedures are completed.

(all amounts are in thousand LTL unless otherwise stated)

5. Selling and distribution expenses

Selling and distribution expenses decreased in comparison to prior year because in the first half of 2009 fewer marketing campaigns were run. Selling and distribution expenses in the second quarter of 2009 were higher comparing to the first quarter by LTL 4,586 thousand mainly due to direct promotional expenses, related to launches of new products.

6. Regulatory affairs expenses

Regulatory affairs expenses in the first half of 2009 decreased in comparison to the same period in 2008, as production harmonisation process was completed at the end of 2008. Regulatory expenses in the second quarter of 2009 were higher than in the first quarter due to new products registration cost.

7. Administrative expenses

The Group administrative expenses for the period ended 30 June 2009 include LTL 322 thousand expenses of change in allowance and write-offs for trade receivables (LTL 16 thousand income for the period ended 30 June 2008) and LTL 553 thousand expenses of inventories change in allowance and write-offs (LTL 1,623 thousand expenses for the period ended 30 June 2008).

The Company administrative expenses for the period ended 30 June 2009 include LTL 90 thousand income of inventories change in allowance and write-offs (LTL 89 thousand income for the period ended 30 June 2008).

8. Financial activities, net

	Group		Company	
	January – June 2009	**January – June 2008**	**January – June 2009**	**January – June 2008**
Interest income	48	3	1	1
Fair value gain (loss) from derivatives	42	(871)	-	-
Cash income from financial instruments	4,094	-	-	-
Other financial income	17	125	-	-
Interest (expenses)	(7,307)	(11,182)	(2,378)	(732)
Foreign currency exchange gain (loss), net	(12,945)	(3,388)	783	(232)
Cash outflows for financial instruments	(2,710)	-	-	-
Other financial (expenses)	(46)	(754)	(38)	(38)
	(18,807)	**(16,067)**	**(1,632)**	**(1,001)**

On 3 June, 2008 Jelfa S.A. PLN loans from banks Bank Polska Kasa Opieki S.A. and Bank Zachodni WBK S.A. amounting to PLN 248,000 thousand were converted to EUR at 3.3515 PLN/EUR rate. Loan conversion resulted in lower interest base to be applied on the loans, however this conversion exposed the loans balance to EUR/PLN fluctuations. Decreasing PLN rate (4.4696 PLN/EUR as at 30 June 2009) resulted in negative Group foreign exchange result amounting to gross LTL 15,635 thousand in the period ended 30 June 2009. In terms of cash flows sufficiency the Group does not consider itself exposed to the foreign exchange risk, as cash flow in EUR is sufficient to service the loan and other payables in EUR. Moreover, after the loan conversion Jelfa S.A. entered into a number of options agreements securing PLN conversion to EUR at 3.8 PLN/EUR exchange rate at loan installment day for all installments due until August 2010 in order to hedge foreign exchange risk (Note 12).

(all amounts are in thousand LTL unless otherwise stated)

9. Income tax

	Group		Company	
	January – June 2009	January – June 2008	January – June 2009	January – June 2008
Income tax expenses				
Current year income tax	(96)	-	-	-
Prior year current income tax correction	52	249	17	207
Deferred tax income (expenses)	5,062	(871)	1,567	(8)
Income tax (expenses) income charged to the income statement	5,018	(622)	1,584	199

10. Property, plant and equipment

During the six months ended 30 June 2009, the Group acquired non current fixed assets with a cost of LTL 3,209 thousand (for the period ended 30 June 2008 – LTL 37,456 thousand). Assets with a net book value of LTL 741 thousand were disposed and written of by the Group during the six months ended 30 June 2009 (for the period ended 30 June 2008 – LTL 1,898 thousand), resulting in a net loss on disposal and write-off of LTL 300 thousand (for the period ended 30 June 2008 net loss of LTL 1,814 thousand). This amount includes LTL 257 thousand construction works from Laboratorium Farmaceutyczne Homeofarm sp. z.o.o write-off to the administrative expenses, as the Group does not intend to continue its manufacturing plant construction.

During the six months ended 30 June 2009, the Company acquired non current fixed assets with a cost of LTL 343 thousand (for the period ended 30 June 2008 – LTL 29,871 thousand). Assets with a net book value of LTL 17 thousand were disposed and written of by the Company during the six months ended 30 June 2009 (for the period ended 30 June 2008 – LTL 3 thousand), resulting in a net loss on disposal and write-off of LTL 7 thousand (for the period ended 30 June 2008 – LTL 3 thousand).

11. Intangible assets

During the six months ended 30 June 2009, the Group acquired non current intangible assets with a cost of LTL 2,084 thousand (for the period ended 30 June 2008 – LTL 1,986 thousand). Assets with a net book value of LTL 7 thousand were disposed and written of by the Group during the six months ended 30 June 2009 (for the period ended 30 June 2008 – LTL 28 thousand), resulting in a net loss on disposal and write-off of LTL 7 thousand (for the period ended 30 June 2008 net loss of LTL 28 thousand).

During the six months ended 30 June 2009, the Company did not acquire non current intangible assets (for the period ended 30 June 2008 acquisitions amounted to LTL 25 thousand). The Company did not write-off or dispose any intangible assets in the first half (for the period ended 30 June 2008 intangibles write-offs loss amounted to LTL 28 thousand).

12. Other financial assets and financial liabilities

	Group	
	As at 30 June 2009	As at 31 December 2008
Non-current derivative assets	2,164	5,196
Long term receivables	22	27
Current derivative assets	7,973	5,793
	10,159	11,016
Non-current financial liabilities – interest rate swaps (effective hedges)	6,042	7,522
Current financial liabilities – interest rate swaps (effective hedges)	7,416	4,417
	13,458	11,939

12. Other financial assets and financial liabilities (cont'd)

Derivatives not designated as hedging instruments

The Group company Jelfa S.A. uses EUR denominated borrowings in Bank Polska Kasa Opieki S.A. and Bank Zachodni WBK S.A. and PLN/EUR option contracts to manage some of its transaction exposures. These currency exchange option contracts are not designated as cash flow, fair value or net investment hedges and are entered into for periods consistent with currency transaction exposures, generally one to 3 months. Such derivatives do not qualify for hedge accounting.

Cash flow hedges

As at 30 June 2009 the Group company Jelfa S.A. had an interest rate swap agreement in place with a notional amount outstanding of EUR 67,830 thousand (LTL 232,070 thousand) (as at 31 December 2008 EUR 67,908 thousand (LTL 236,095 thousand)) whereby the Group receives a variable rate equal to 3-month EURWIBOR and pays a fixed rate of 5.25%. The swap is being used to hedge the exposure to the changes in the variable interest rate of Jelfa S.A. loan to Bank Polska Kasa Opieki S.A. and Bank Zachodni WBK S.A.

The cash flow hedges of the expected loans repayments were assessed to be highly effective and a net unrealised loss of LTL 13,458 thousand with deferred tax assets of LTL 2,557 thousand (as at 31 December 2008 - LTL 11,939 thousand with deferred tax assets of LTL 2,267 thousand) relating to the hedging instruments is included in the Group equity. The fair value loss of LTL 10,901 thousand deferred in equity since 30 June 2009 is expected to be released to the consolidated income statement in period between August 2009 – August 2011 on a quarterly basis when loans repayments are expected to occur.

13. Loans

In April 2009 the Company received the LTL 2,359 thousand loan from Amber Trust II with 6.5% annual interest rate, which is repayable on 30 June 2010.

During the period ended 30 June 2009 the Company has received EUR 2,550 thousand (LTL 8,805 thousand) loans from its subsidiary Jelfa S.A. with a fixed 6.01% – 6.5% interest rate and maturity date 30 June 2009 and 31 December 2009.

In second quarter Jelfa S.A. overdrafts from banks Bank Polska Kasa Opieki S.A. and Bank Zachodni WBK S.A. in principal amount of PLN 10,000 thousand each were prolonged till 3 July 2009 with the interest rate 1-month WIBOR+2.5%.

Unexpected and dramatic EUR/PLN exchange rate increase since the second half of 2008 had worsened the Group company Jelfa S.A. financial ratios – financial liabilities, denominated in EUR has increased in nominal value of PLN. Due to this Jelfa S.A. did not comply with the financial covenant of financial indebtedness to EBITDA (should be lower than 3) of the loans agreement with Bank Polska Kasa Opieki S.A. and Bank Zachodni WBK S.A. as at 30 June 2009. The issue was addressed to the financing banks which waived the covenant breach as at 30 July, 2009 (Note 16). Nevertheless, for the financial reporting purposes the above mentioned non-current bank loans in the amount of LTL 168,392 thousand were reclassified as current liabilities in the Group's balance sheet as at 30 June 2009 following the requirements of IAS 32.94.

14. Financial risk management objectives and policies

The Group's and the Company's principal financial liabilities, other than derivatives, comprise bank loans and overdrafts, finance leases and trade payables. The main purpose of these financial liabilities is to raise finance for the Group's and the Company's operations. The Group and the Company has various financial assets such as trade and other receivables and cash, which arise directly from its operations. The Group also enters into derivative transactions.

The Group uses foreign currency options and interest rate swaps in order to hedge its foreign currency and interest rate risks. The Group does not use derivative financial instruments for speculative purposes.

The principal financial risks to which the Group and the Company is exposed are those of interest rate, liquidity, foreign exchange and credit. The Group Management reviews and agrees policies for managing each of these risks which are summarised below.

14. Financial risk management objectives and policies (cont'd)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with floating interest rates. Current environment is not attractive to target fixed interest rates (fixed interest rate is significantly higher than the float, and due to the volatility in the market fixed interest rate is offered to short period of time only) and therefore the Group and the Company keeps majority of its financial liabilities at floating interest rates.

To manage the interest rate risk the Group company Jelfa S.A. entered into interest rate swaps, in which it agreed to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amounts. These swaps are designated to hedge Jelfa S.A. loan from banks Bank Polska Kasa Opieki S.A. and Bank Zachodni WBK S.A. (Note 12). The Group and the Company is ready to enter other interest rate swap agreements if this allows to further mitigate risk.

Liquidity risk

The Management Board reviews the Group's liquidity risks annually as part of the planning process and on ad hoc basis. The Board considers short-term requirements against available sources of funding taking into account cash flow.

The Group and the Company monitors its risk to a shortage of funds using a standard weekly report on the cash flows with a liquidity projection for the future periods. The report considers projected cash flows from operations and allows to effectively plan cash injection if needed.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and factoring contracts.

Foreign exchange risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group and Company operating activities (when revenue or expense are denominated in a different currency from the Group's and the Company's functional currencies).

The Group and the Company seeks to mitigate the effect of its structural currency exposure by keeping the assets and the liabilities denominated in the same currency, which is the functional currency for each individual entity.

In June 2008 Jelfa S.A. PLN loan from banks Bank Polska Kasa Opieki S.A. and Bank Zachodni WBK S.A. amounting to PLN 248,000 thousand (principal amount in original currency PLN 310,000 thousand) were converted to EUR. In order to hedge foreign exchange risk the subsidiary entered into a number of options agreements securing PLN conversion to EUR at 3.8 PLN/EUR exchange rate at loan installment day for all installments due until August 2010 (Note 12).

Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, which include foreign exchange transactions and other financial instruments.

(all amounts are in thousand LTL unless otherwise stated)

14. Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

The credit risk related to receivables is managed by each Group company separately trading only with recognised, creditworthy third parties. According to the Group's and the Company's policy all customers wishing to trade on credit terms are subject to credit verification procedures. For transactions that do not occur in the countries, where the Group has affiliates, the Group and the Company does not offer credit terms without the approval of the Head of Commercial operations and Chief Financial Officer. In addition, outstanding receivable balances are monitored on a weekly basis by the Group management. In the first half of 2009 trade receivables, which are overdue, but not impaired balance decreased from LTL 19,799 thousand, which was as at 31 December 2008 till LTL 8,287 thousand, which was as at 30 June 2009.

Factoring without a right to recourse is used as additional security mean for trade accounts receivable in country of operation. The Group also uses credit insurance for domestic and export trade protecting its trade accounts receivable. 5 customers with the greatest outstanding receivable balances represented 38% of total gross Group receivables as at 30 June 2009 (36% as at 31 December 2008). The maximum exposure to credit risk at the reporting date is the carrying value of the receivables, which is disclosed in the balance sheet. The Group does not hold collateral as security.

With respect to credit risk arising from the other financial assets of the Group and the Company, which comprise other financial assets, other receivables and cash and cash equivalents, the Group's and the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

15. Related party transactions

In the first half of 2009 and 2008 the Group and the Company had transactions and balances with the following related parties:

- Amber Trust II (the shareholder of the Company);
- Invalda, AB (the shareholder of the Company);
- Hoechst-Biotika, spol. s.r.o. (the subsidiary of the Company);
- Jelfa S.A. (the subsidiary of the Company);
- Acena, UAB (the affiliate of Invalda, AB);
- Baltic Amadeus Infrastrukturos Paslaugos, UAB (the affiliate of Invalda, AB);
- Finasta Imoniu Finansai, AB (the affiliate of Invalda, AB);
- Finansu Spektro Investicija, UAB (the affiliate of Invalda, AB)
- FMI Finasta, AB (the affiliate of Invalda, AB);
- Invalda Nekilnojamojo Turto Valdymas, UAB (the affiliate of Invalda, AB);
- Laikinosios Sostines Projektai, UAB (the affiliate of Invalda, AB).

The Group's and the Company's transactions with related parties in the period ended 30 June 2009 and related balances as at 30 June 2009 were as follows:

	Notes	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
The Company's transactions					
Hoechst-Biotika, spol.s.r.o	a)	220	2,930	-	11,360
Jelfa S.A.	b)	342	1,142	-	30,182

(all amounts are in thousand LTL unless otherwise stated)

15. Related party transactions (cont'd)

	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
The Company's and the Group's transactions				
Amber Trust II	-	76	-	2,435
Invalda, AB	-	257	-	8,235
Acena, UAB	-	22	-	-
Baltic Amadeus Infrastrukturos Paslaugos, UAB	-	18	-	-
Finasta Imoniu Finansai, AB	-	1	-	1
FMI Finasta, AB	-	17	-	4
J. Bielinis	-	5	-	173
A. Dirvonas	-	9	-	272
D. Jazukevicius	-	5	-	163
N. Nauseda	-	4	-	130
T. Nauseda	-	5	-	174
D. Sulnis	-	4	-	129
A. Tuma	-	6	-	199
D. Zaromskis	-	9	-	272

The Group's and the Company's transactions with related parties in the period ended 30 June 2008 and related balances as at 30 June 2008 were as follows:

	Notes	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
The Company's transactions					
Hoechst-Biotika, spol.s.r.o	a)	40	3,962	-	6,946
Jelfa S.A.	b)	653	588	-	4,128
The Company's and the Group's transactions					
Acena, UAB		-	65	-	-
Finasta Imoniu Finansai, AB		-	36	-	-
Finansu Spektro Investicija, UAB		8	-	-	-
FMI Finasta, AB		-	7	-	
Invalda Nekilnojamojo Turto Valdymas, UAB		-	162	-	15
Laikinosios Sostines Projektai, UAB	c)	-	540	-	-

a) In October 2005, Hoechst-Biotika spol. s.r.o. provided a loan to the Company amounting to EUR 5,000 thousand. The outstanding amount of this loan was LTL 4,877 thousand as at 30 June 2009 (as at 30 June 2008 – LTL 4,877 thousand). The interest calculated for the first half of 2009 was LTL 83 thousand (for the first half of 2008 – LTL 151 thousand). Hoechst-Biotika spol. s.r.o. produces products for the Company. During the six months of 2009 the Company purchased products for LTL 2,660 thousand (during the six months of 2008 – LTL 3,191 thousand).

b) In 2008 and 2009 Jelfa S.A. provided loans with fixed interest rate to the Company. The outstanding amount of these loans as at 30 June 2009 was LTL 23,110 thousand (as at 30 June 2008 – LTL 3,587 thousand). The interest calculated for the first half of 2009 was LTL 670 thousand (for the first half of 2008 – LTL 18 thousand).

c) The Company rented part of the real estate in 2008 from Laikinosios Sostines Projektai, UAB for the operating activities. The rent fee amounted to LTL 540 thousand in the period ended 30 June 2008.

16. Post balance sheet events

In July Jelfa S.A. overdrafts from banks Bank Polska Kasa Opieki S.A. and Bank Zachodni WBK S.A. in principal amount of PLN 10,000 thousand each were prolonged till 28 May 2010 with the interest rate of 1-month WIBOR+2.5%.

On 13 July, the Company’s overdraft from bank Swedbank, AB in principal amount of LTL 5,000 thousand was prolonged till 13 September 2009 with the interest rate of 6-months VILIBOR+4.5%.

On 30 July, 2009 annex to Jelfa S.A. long term loans agreements from Bank Polska Kasa Opieki S.A. and Bank Zachodni WBK S.A. were signed where it was agreed, that the banks waived the company’s breaches as at 31 December 2008, 30 June 2009 and 31 December 2009.

Registration process for some injections medicines (Magnio Sulfatas Sanitas, Analginas Sanitas, Piracetamas, Oksitocinas) and tablets (Analginas and Acetilsalicilis) produced in the new manufacturing plant of the Company were finished in July. Also major tasks for Neocitramonas and Neoaskofenas tablets registration are performed and registration process will be finished in the nearest future. This will help to reduce Company’s work in progress balance and increase sales in the third quarter of the year.

UNAUDITED SIX MONTHS' INTERIM CONSOLIDATED REPORT FOR THE PERIOD ENDED 30 JUNE 2009

(all amounts are in thousand LTL unless otherwise stated)

I. PERIOD FOR WHICH SIX MONTHS' CONSOLIDATED INTERIM REPORT IS PREPARED

1. Reporting period

The six months' consolidated interim report is prepared for the first half of 2009.

II. SHORT PRESENTATION OF SANITAS AB GROUP

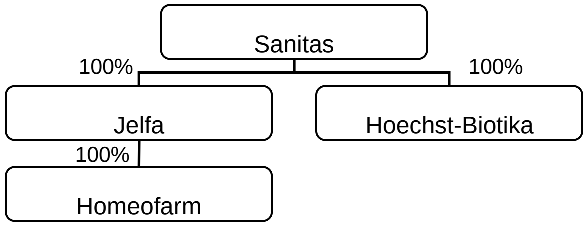
2. Sanitas AB contact details

Sanitas, AB (hereinafter Sanitas or Company)	
Legal form	Joint stock company
Registration date	June 30, 1994
Registration place	Kaunas Municipality Board
Register, in which data about the company are stored	Register of legal entities of Republic of Lithuania
Code	1341 36296
Registered office	Veiveriu str. 134 B, LT-46352, Kaunas, Lithuania
Phone number	+370 37 22 67 25
Fax number	+370 37 22 36 96
E-mail	sanitas@sanitas.lt
Website	www.sanitas.lt

3. Contacts of other enterprises of Sanitas group

Hoechst – Biotika spol. s.r.o. (hereinafter Hoechst – Biotika)	
Legal form	Limited liability company
Registration date	March 2, 1992
Register, in which data about the company are stored	District court in Zilina, Slovakia
Code	31 560 784
Registered office	Sklabinska 30, 036 80 Martin, Slovakia
Phone number	+421434202111
Fax number	+421434221004
E-mail	hb@hoechst-biotika.sk
Website	www.hoechst-biotika.sk
Jelfa S.A. (hereinafter Jelfa)	
Legal form	Limited liability company
Registration date	December 2, 1991
Register, in which data about the company are stored	National court register, Wroclow branch
Code	66687
Registered office	Wincentego Pola 21, 58 800 Jelenia Gora, Poland
Phone number	+48756433240
Fax number	+48757524455
E-mail	jelfa@jelfa.com.pl
Website	www.jelfa.com.pl
Laboratorium Farmaceutyczne Homeofarm sp. z.o.o (hereinafter Homeofarm)	
Legal form	Limited liability company
Registration date	December 12, 2002
Register, in which data about the company are stored	National court register, Gdansk branch
Code	00001442971
Registered office	Jagielonska 44, 80 366, Gdansk, Poland
Phone number	+48585533303
Fax number	+48585538947
E-mail	homeofarm@homeofarm.pl
Website	www.homeofarm.pl

4. Structure of Sanitas group. Statutory capital held



Sanitas is the sole shareholder of Jelfa and Hoechst – Biotika, Jelfa is the sole shareholder of Homeofarm.

5. Affiliates and representative offices of enterprises comprising Sanitas group

Jelfa has 4 representative offices: in Russia (Prospectus Mira 74/1/ 92, Moscow), Ukraine (Wasilkowskaja 1/207, Kiev), Hungary (Nagy Lajos Kiraly ter 1-5, Debrecen) and Bulgaria (Nikolay Kopernik 21/10, Sofia). Hoechst-Biotika has affiliate in Czech Republic (Modřany, Mezi vodami 27, Prague).

6. The main activities of Sanitas group

The main activities of Sanitas group are:

- manufacture and sale of various generic medicine;
- development of new products;
- toll manufacturing.

7. Short history of Sanitas group

History of Sanitas group reaches as early as 1922, when pharmaceutical laboratory Sanitas was established in Kaunas city (Lithuania) and used to manufacture cosmetics. In the course of time, the laboratory was intensely developed, its owners were changing. History of the present Sanitas started in 1994, after privatization of the Company. Manufacture was reformed according to the requirements of Good Manufacturing Practice (hereinafter GMP) and developed further.

In May 2004 Sanitas acquired shares of another Lithuanian manufacturer of pharmaceutical preparations Endokrininiai preparatai AB. In spring 2005 in the territory of this company, at Veiveriu str. 134, Kaunas, according to project "Modernization of manufacture of Sanitas, AB", which was partially financed by Structural Funds of the European Union, building of new modern factory of medicine manufacture was started. Project was finished in September 2008. The newly installed equipment increased capacities of manufacture and expanded assortment – completely new lines of eye drops and disposable syringes were installed.

In July 2005 Sanitas acquired manufacturer of generic medicines, limited liability company Hoechst – Biotika, established in Martin city, Slovakia. Pharmaceutical factory operating at the foot of the Tatra Mountain was established in 1992. Acquisition of Hoechst-Biotika was the first step to creation of Sanitas group and at the same time strong step into markets of the Central Europe. At the end of 2006 Hoechst-Biotika established representative office in Prague, Czech Republic, which later was re-registered to affiliate.

In 2006 Sanitas acquired shares of Polish generic pharmaceutical company Jelfa and at present owns 100% of authorised capital of this company. During acquisition process, in order to attract the new assets, emission of shares was issued. The newly issued shares were acquired by Sanitas shareholders Invalda, AB, world-famous investment funds Amber Trust II SCA, Citigroup Venture Capital International Jersey Limited and several natural persons. Jelfa's acquisition was very important for the developing of Sanitas group and for entering markets of Central Europe. Portfolio of Sanitas group products was supplemented by more than 100 products. The biggest part of Jelfa products are sold in Poland, other part - in Russia, Ukraine, Baltic States, Czech Republic, Hungary and Slovakia. Jelfa has representative offices in Russia, Ukraine, Hungary and Bulgaria.

On 23 December 2008 Sanitas acquired 100% stock of shares of Polish ointment producer Homeofarm through its subsidiary Jelfa. Transfer of shares of Homeofarm to Jelfa was executed by signing shares purchase-sale agreement between Jelfa and Polish company Hand – Prod sp.z.o.o.

(all amounts are in thousand LTL unless otherwise stated)

8. Mission. Values

The mission of Sanitas group is to be fast growing international pharmaceutical company with strategic focus on the markets of Central and Eastern Europe and to be one of the best companies in this field in terms of efficiency and customer confidence.

The values of Sanitas group are:

- Transparency;
- Team spirit;
- Urgency;
- Ownership;
- Proactiveness.

9. Participation in activity of organizations

Sanitas is a member of Lithuanian Association of manufactures of medicines and Lithuanian Association of trade numbers and barcodes.

III. INFORMATION ON SANITAS AUTHORISED CAPITAL AND SECURITIES

10. Composition of Sanitas authorised capital, rights provided by shares

Type of shares	Number of shares	Nominal value, LTL	Total nominal value, LTL	Portion of the authorised capital, %	Voting rights granted
Ordinary registered shares	31,105,920	1	31,105,920	100	1 share grants 1 vote

Sanitas shareholders have the following property and non-property rights:

1. To receive a part of the Company's profit (dividends);
2. To receive a part of assets of the Company in liquidation;
3. To receive shares without payment if the authorised capital is increased out of the Company funds except in cases provided in the Law on Companies of the Republic of Lithuania;
4. To have pre-emption right in acquiring shares or convertible debentures issued by the Company, except in cases when the General Shareholders Meeting decides to withdraw the pre-emption right for all the shareholders, according to the Law on Companies of the Republic of Lithuania;
5. To lend to the Company in the manner and procedure prescribed by law;
6. To leave all or part of the shares for the other persons by will;
7. To sell or otherwise transfer the shares to the proprietorship of other persons;
8. To attend the General Shareholders Meetings;
9. To vote at the General Shareholders Meetings (one fully paid share of one Litas nominal value grants one vote);
10. To receive the information concerning economic activity of the Company;
11. To file a claim with the court for reparation of damage resulting from nonfeasance or malfeasance by the General Manager and Management Board members of their obligations prescribed by the laws and the Articles of Association as well as in other cases laid down by laws;
12. To receive funds of the Company in cases when the authorised capital of the Company is reduced for the purpose of disbursement of funds of the Company to the shareholders;
13. Shareholders may exercise other property and non-property rights.

11. Sanitas own shares

During the reporting period Sanitas did not acquire, transfer and did not have own shares. Jelfa, Homeofarm, Hoechst – Biotika or persons acting under authorization of Sanitas subsidiaries did not acquire and did not have Sanitas shares too.

12. Dividends paid to Sanitas shareholders

The General Shareholders Meeting decides upon dividends payments and sets amount of dividends. Persons have a right to get dividends if they are the shareholders of the Company or have the right to get dividends on other legal grounds at the end of the rights accounting day.

For the financial year of 2007 the Company declared 18,664,000 LTL dividends (0.6 LTL per ordinary registered share).
For the financial year of 2008 the Company did not pay any dividends.

(all amounts are in thousand LTL unless otherwise stated)

13. Sanitas shareholders

Total number of the shareholders as at 30 June 2009 was 1,535.

Shareholders who held more than 5% of the Company's authorised capital or votes as at 30 June 2009:

Name of the shareholder (legal form, address of registered office and code of the enterprise)	Number of ordinary registered shares owned by the right of ownership	Share of the authorised capital, %	Share of votes, %		
			Share of votes given by the shares owned by the right of ownership, %	Indirectly owned votes, %	Share of votes directly and indirectly held by shareholders that are acting jointly , %
Invalda AB, Seimyniskiu str. 3, Vilnius, c. 121304349	6,394,472	20.56	20.56	4.45	25.01
Citigroup Venture Capital International Jersey Limited, 26 New street, St. Helier JE2, Channel islands, c. 90207	5,312,000	17.08	17.08	-	
Baltic Pharma Limited, 26 New street, St. Helier JE2, Channel islands, c. 218089	6,314,502	20.30	20.30	-	37.38
Amber Trust II S.C.A, 8-10 me Mathias Hardt, L-1717, Luxembourg, c. B103.888	3,952,407	12.71	12.71	-	12.71

14. Limitations of Sanitas securities transferring

On 12 January 2009 shareholders agreement between Amber Trust II SCA, Citigroup Venture Capital International Jersey Limited, Baltic Pharma Limited, Invalda, AB, Darius Sulnis, Tomas Nauseda, Jonas Bielinis, Nerijus Nauseda, Arunas Tuma, Alvydas Dirvonas, Darius Zaromskis, Donatas Jazukevicius and Company (hereinafter Shareholders agreement) was signed. It prescribes restrictions to some of Shareholders agreement parties to transfer Sanitas shares, other than as permitted under the Shareholders agreement.

15. Special rights of control possessed by the Sanitas shareholders and description of these rights

In the Shareholders agreement it is agreed that each of the shareholders Amber Trust II SCA, Baltic Pharma Limited and Citigroup Venture Capital International Jersey Limited are entitled to elect 1 representative to the Company's managing body – the Management Board.

16. Limitations of Company's shareholders voting rights

Shareholders agreement establishes a requirement not to initiate and not to vote for the amendments of Articles of Association resulting in change of number of members of the Management Board. There are no other limitations for Sanitas shareholders voting rights known to the Company. Since the signature of Shareholders Agreement group of shareholders acting in concert terminated.

17. Sanitas shareholders agreements known to the Company according to which transferring of the securities and/or voting rights can be limited

No other agreements, except Shareholders agreement are known to the Company.

18. Data about securities trading

Only shares of Sanitas are traded on regulated market. Since 21 November 2005, the ordinary registered shares of the Company were admitted to the Baltic Main List of NASDAQ OMX Vilnius. AB (hereinafter NASDAQ). Before 21 November 2005 the Company's shares were traded on the Current List of NASDAQ.

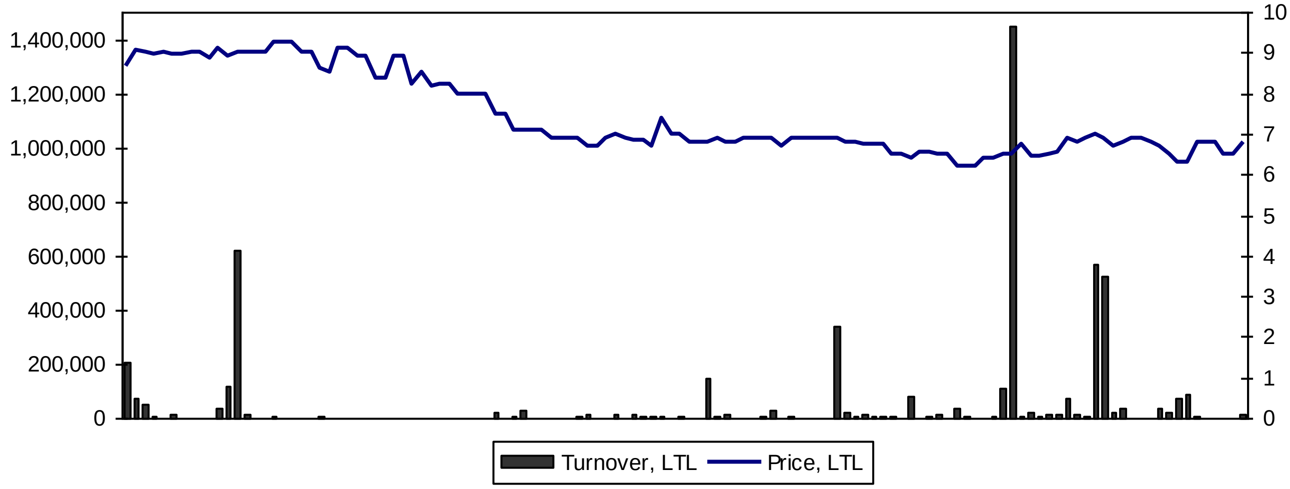
Main characteristics of the Company's shares listed in the Official List:

Type of the shares	ISIN code	Ticker	Number of shares	Nominal value, LTL	Total nominal value, LTL	Voting rights granted
Ordinary registered shares	LT0000106171	SAN1L	31,105,920	1	31,105,920	1 share grants 1 vote

19. Sanitas agreements with intermediaries of public trading in securities

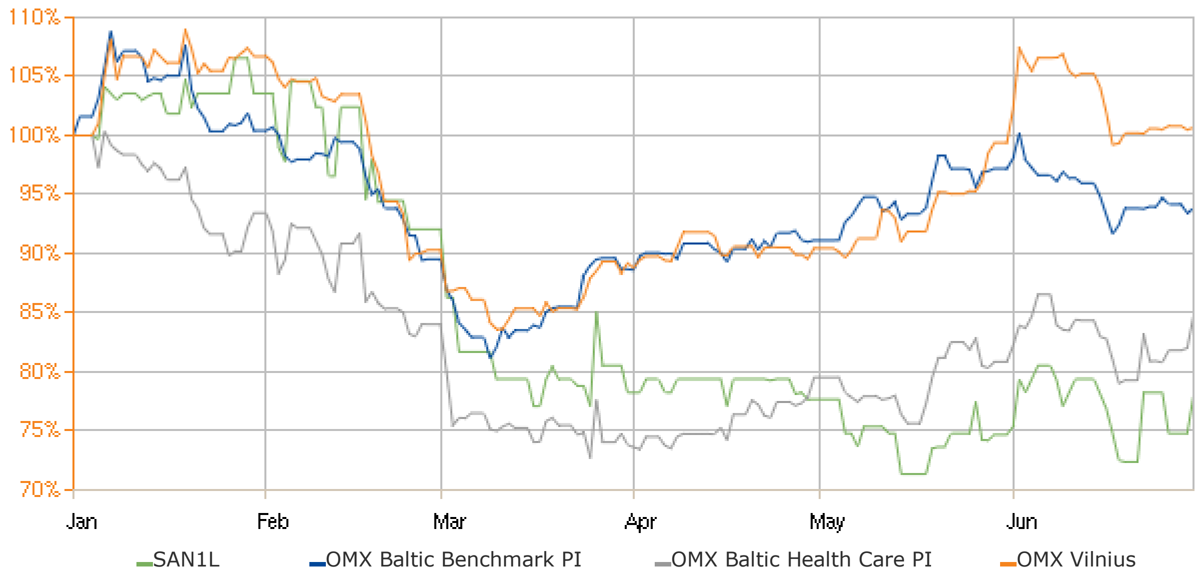
The Company has agreement with FMI Finasta, AB on the management of shares accounting, custody and accounting of securities and funds, accepting and executing orders.

20. The changes of Sanitas share price and turnovers in the first half of 2009



Source: http://www.nasdaqomxbaltic.com

21. The changes of Sanitas share price and of NASDAQ indexes



Source: http://www.nasdaqomxbaltic.com

IV. INFORMATION ON SANITAS MANAGEMENT

22. Company's managing bodies

The Company has the General Shareholders Meeting, single person managing body – the Manager (General Manager) and collegial executive body – the Management Board. The Supervisory Board is not formed in the Company. The Management Board is formed from 5 members and is elected by the General Shareholders Meeting for the 4 years period. The Management Board has all powers and authority provided under the applicable laws and which are normally appropriate for the Management Boards in practice, including the competence to decide on the following issues:

1. A material change in the business of the Company;
2. Any merger, consolidation or acquisition, or sale, lease or other disposal of the Company, or all or substantially all of the Company's assets;
3. The establishment of any new subsidiary of the Company;
4. Any joint ventures between the Company and another entity;
5. Any transaction giving rise to contingent liabilities not provided in the budget in excess of EUR 250,000 (two hundred fifty thousand);

22. Company's managing bodies (cont'd)

6. A sale of any subsidiaries of the Company or of all or substantially all the assets of any of the Company's subsidiaries;
7. Approval of the Company's annual operating plan and budget and any material deviation there from;
8. Capital expenditure in excess of EUR 250,000 (two hundred fifty thousand) not provided in the budget, in one transaction or a series of transactions during any year;
9. Sale of assets of the Company with a book value in excess of EUR 250,000 (two hundred fifty thousand) not provided in the budget in one transaction or a series of transactions during any year;
10. Borrowings in excess of EUR 250,000 (two hundred fifty thousand) not provided in the budget in one transaction or a series of transactions during any year and the establishment of any mortgage, pledge or lien over any asset of the Company where the book value of the asset exceeds EUR 250,000 (two hundred fifty thousand);
11. Any transaction with any officer, Management Board member or other interested party, or close relatives of any such interested party;
12. Any transaction with a shareholder or close relatives of a shareholder;
13. The constitution of any committee of the Management Board or the Management Board of any subsidiary of the Company;
14. Any transaction not in the ordinary course of business;
15. Any change in the signatory rights on behalf of the Company;
16. Appointment or change of the General Manager and the Chief Financial Officer;
17. Payment to any employee of remuneration in excess of EUR 50,000 (fifty thousand) (after tax) in any one year;
18. Other decisions prescribed to the competence of the Management Board of the Company provided under the applicable laws, resolutions of the General Shareholders Meeting or Articles of Association.

The Management Board elects and removes the Manager from office, fixes his/her salary and other employment contract conditions. It also defines information which is considered to be a commercial (production) secret of the Company. The Management Board analyzes, assesses the Company's draft annual financial statements, draft of the appropriation of profit (loss) and, having approved of the above drafts, submits them to the General Shareholders Meeting together with consolidated annual report. It determines the method of estimating asset depreciation and depreciation rates and is responsible for holding General Shareholders Meetings in due time.

The Management Board adopts:
1. Decisions on the Company becoming the incorporator, member of other enterprises;
2. Decisions on establishing branches and representations of the Company;
3. Decisions on investment transfer or lease of fixed assets the balance value whereof amounts to over 1/20 (one twentieth) of the Company's authorized capital (to be calculated separately for each kind of transaction);
4. Decisions on the pledge or mortgage of fixed assets the balance value whereof amounts to over 1/20 (one twentieth) of the Company's authorized capital (the combined value of transactions shall be calculated);
5. Decisions on offering guarantee or surety for the discharge of obligations of other entities, when the amount of the obligations exceeds 1/20 (one twentieth) of the Company's authorized capital;
6. Decisions on the acquisition of fixed assets the price whereof exceeds 1/20 (one twentieth) of the Company's authorized capital;
7. In cases provided for by the Law on Restructuring of Companies – a decision to restructure the Company;
8. Other decisions which are assigned to the competence of the Management Board by the Company's Articles of Association, applicable law or resolutions of the General Shareholders Meeting.

The Management Board analyzes and evaluates the material submitted by the Manager on:
1. Implementation of the strategy of the Company;
2. Organization of operations of the Company;
3. Financial situation of the Company;
4. Results of business activities, income and expenditure estimates, stocktaking data and other records of valuables.

Rules of election and replacement of the members of the Company's Management Board are specified in Sanitas Management Board Work Regulations and Law on Companies of Republic of Lithuania. Sanitas Management Board Work Regulations was approved by the Management Board on 28 April 2009.

The General Manager is elected and dismissed by the Management Board. The competence of the General Manager does not differ from that set in the Law of Companies of the Republic of Lithuania. The General Manager has a right to issue an authorisation for the employee of the Company or the third person, following the Lithuanian legal order, to perform the legal actions related to the activity of the Company on its behalf and in its name.

The competence of the General Shareholders Meeting and the order of its convocation do not differ from that set in the Law of the Companies of the Republic of Lithuania, except cases specified in Sanitas Articles of Association. The General Shareholders Meeting has an exclusive right to adopt the following resolutions regarding:
1. Amendment to the Articles of Association of the Company;
2. Amendment to the rights associated with any of the shares of the Company;
3. Issuance of bonds and debentures, including convertibles;

(all amounts are in thousand LTL unless otherwise stated)

22. Company's managing bodies (cont'd)

4. Issuance of new equity or capital, including shares, rights, options, warrants to purchase shares (or other convertible or quasi-equity securities), provided each shareholder has a pre-emptive right to subscribe for the newly issued shares or rights;
5. De-listing of the shares, new public listing of the shares on any stock exchange;
6. Any reduction, repayment or buyback of the shares of the Company or any shares of its subsidiaries;
7. Declaration and payment of any dividends or other distributions;
8. Liquidation, dissolution or winding up of the Company including appointment of the liquidator;
9. Appointment and change of auditors of the Company, establishment of payment conditions for audit services;
10. Approval of the annual accounts and the report on the Company's operation, including the report of the Management Board;
11. Issuance of shares or other securities under the employee stock option plan and its rules and regulations, and any other future stock option or incentive plans as approved by the Management Board;
12. Decisions on the reorganization, transformation or restructuring of the Company;
13. Decision to revoke for all the shareholders the pre-emptive right in acquiring the shares or convertible debentures of the Company of a specific issue;
14. Other decisions prescribed to the competence of the General Shareholders Meeting of the Company provided under the applicable laws.

23. Sanitas Audit Committee

The Audit Committee consists of 4 members, 1 of them is independent. The term of office of the Audit Committee coincides with the term of office of the Management Board. Members of the Audit Committee are elected by the General Shareholders Meeting at the proposal of the Management Board. The main functions of the Audit Committee are:
1. To provide the Management Board with recommendations related to selection, repeated appointment and cancellation of an external audit company as well as the terms and conditions of the agreement with the audit company;
2. To observe the process of carrying out an external audit;
3. To observe how the external auditor and the audit company follow the principles of independence and objectivity;
4. To observe the process of preparation of financial reports of the Company;
5. To fulfill other functions specified in the legal acts of the Republic of Lithuania and the recommendations of the Code of management of companies listed with NASDAQ.

24. Data about members of the Management Board, members of the Audit Committee, Managing and Finance Directors

Education and participation in the activity of other companies as at 30 June 2009:

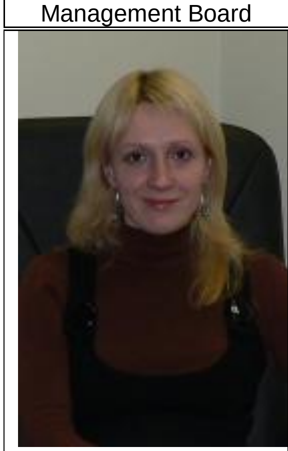
Name, surname	Name of organization, position taken	Shares held in other companies (more than 5 %)
 Mr. Ashwin Roy Chairman of the Management Board	Education – Master degree in Economics (First Class) from King's College, University of Cambridge, UK; UK qualified Chartered Accountant.	
	Citi Venture Capital International – Director;	-
	Eurasian Brewery Holdings Limited (Jersey, English islands) – Director;	-
	Silja Line Oy (Finland) - Member of the Supervisory Board;	-
	AS Tallink Grupp (Estonia) - member of the Supervisory Board.	-

(all amounts are in thousand LTL unless otherwise stated)

24. Data about members of the Management Board, members of the Audit Committee, Managing and Finance Directors (cont'd)

Name, surname	Name of organization, position taken	Shares held in other companies (more than 5 %)
 Mr. Darius Sulnis Member of the Management Board	Education – Master degree of faculty of Economics, Vilnius University.	
	Invalda, AB – Member of the Management Board, President;	8.03% of authorized capital, 31.61% with persons acting in concert
	Invaldos Nekilnojamojo Turto Fondas, AB – Member of the Management Board;	-
	Bank Finasta, AB – Member of Supervisory Board;	-
	Finasta Imoniu Finansai, AB – Chairman of the Management Board;	-
	Vilniaus Baldai, AB – Member of the Management Board;	-
	Invalda Turto Valdymas, UAB – Chairman of the Management Board;	-
	Invalda Nekilnojamojo Turto Valdymas, UAB – Chairman of the Management Board;	-
	SIA Dommo Grupa (Latvia) – Chairman of the Supervisory Board;	-
	SIA Burusula (Latvia) – Chairman of the Supervisory Board;	
	Umega, AB – Member of the Management Board;	
	Golfas, UAB;	31.00
	Lucrum Investicija, UAB;	100.00 (all voting rights are transferred)
	Tiltra Group, AB – Chairman of the Supervisory Board.	-
 Mr. Martynas Cesnavicius Member of the Management Board	Education – Faculty of Economics, Vilnius University.	
	Laisvas Nepriklausomas Kanalas, UAB – Member of the Management Board;	-
	Litagros Prekyba, UAB – Member of the Management Board;	-
	Atradimu Studija, UAB – Member of the Management Board;	31.00
	Malsena, AB – Member of the Management Board;	-
	Premia KPC, AB – Member of the Management Board;	-
	Snaige, AB – Member of the Management Board;	-
	Meditus, UAB – Member of the Management Board;	-
	Malsena Plius, UAB – Chairman of the Management Board;	-
	Profinance, UAB;	50.00
	TEO, AB – Member of the Management Board.	-
 Mr. Darius Zaromskis Member of the Management Board	Education – Faculty of Law, Vilnius University.	
	Kamineros Grupe, UAB – Member of the Management Board;	50.00
	Vilniaus Degtine, AB – Chairman of the Management Board;	9.99
	Printing house Spindulys, AB – Member of the Management Board;	8.10
	Bagem, UAB – Member of the Management Board;	25.00
	Umega, AB – Member of the Management Board;	-
	Costructus, UAB – Member of the Management Board;	-
	Jungtinis Turto Centras, UAB;	25.00
	Urbino Investment, UAB;	19.00
	Svilita, UAB;	100.00
	Birzu Agroservisas, AB.	20.00

24. Data about members of the Management Board, members of the Audit Committee, Managing and Finance Directors (cont'd)

Name, surname	Name of organization, position taken	Shares held in other companies (more than 5 %)
 Mr. Martin Oxley Member of the Management Board	Education – Edinburgh University, M.A (Honors) Modern Languages & Philosophy; Social history; 'A' levels: French, German, History, Business studies	
	BPCC – Chief Executive Officer;	-
	FIT – President;	-
	Enterprise Poland – Vice President.	-
 Ms. Alina Nausedaite Chairman of the Audit Committee	Education – Master degree in Commercial Law, Vytautas Magnus University.	
	Sanitas – Lawyer.	-
 Mr. Arvydas Sarocka Independent member of the Audit Committee	Education – Bachelor degree in Marketing, Master degree in Business Administration, Kaunas University of Technology.	
	Savvin, UAB – Director;	-
	AKS Kapitalas, UAB – Director.	100.00

24. Data about members of the Management Board, members of the Audit Committee, Managing and Finance Directors (cont'd)

Name, surname	Name of organization, position taken	Shares held in other companies (more than 5 %)
 Mr. Mindaugas Lankas Member of the Audit Committee	Education – Bachelor degree in Accounting and Audit, Master degree in Production management, Vilnius University.	
	Finasta Turto Valdymas, UAB – Head of companies' Supervision Department;	-
	Kelio Zenklai, UAB – Member of the Management Board;	-
	InReal, UAB – Member of the Management Board;	-
	Umega, AB – Member of the Management Board.	
 Mr. Kustaa Aima Member of the Audit Committee	Education – Master degree in Economics, Helsinki University.	
	Amber Trust Management SA (Luxembourg) – Chairman;	-
	Amber Trust II Management SA (Luxembourg) – Chairman;	-
	Kaima Capital OY (Finland) – Managing Director;	-
	DCF Fund II SICAV – SIF (Luxembourg) - Member of the Management Board;	-
	Litagra, UAB – Member of the Management Board;	-
	BAN Insurance (Latvia) - Deputy chairman;	-
	SALVA Insurance (Estonia) - Member of the Supervisory Board;	-
	Premia Foods (Estonia) - Member of the Supervisory Board;	-
	AS Tallink Group (Estonia) - Member of the Supervisory Board;	-
	Tallink Silja Oy (Finland) - Member of the Management Board;	-
	AS PKL (Estonia) - Member of the Supervisory Board.	-
 Mr. Saulius Jurgelenas General Manager	Education – Faculty of Economics, Vilnius University.	
	Hoechst – Biotika – Executive General Manager;	-
	Jelfa. – Chairman of the Supervisory Board.	-

(all amounts are in thousand LTL unless otherwise stated)

24. Data about members of the Management Board, members of the Audit Committee, Managing and Finance Directors (cont'd)

Name, surname	Name of organization, position taken	Shares held in other companies (more than 5 %)
 Mr. Nerijus Drobavicius Chief Financial Officer	Education – Bachelor degree in Business Administration; Master degree in Banking and Finance, Vytautas Magnus University.	
	Jelfa – Member of the Management Board.	-

Participation in Sanitas authorised share capital as at 30 June 2009:

Name, surname	Position held	Portion of the capital and votes held, %
MANAGEMENT BOARD		
Ashwin Roy	Chairman (Member until 28.04.2009)	-
Darius Zaromskis	Member	1.66
Martynas Cesnavicius	Member	-
Martin Oxley	Member (since 24.04.2009)	-
Darius Sulnis	Member (Chairman until 28.04.2009)	0,003
Vytautas Bucas	Member (until 24.04.2009)	-
AUDIT COMMITTEE		
Alina Nausedaite	Chairman	-
Mindaugas Lankas	Member	0.01
Arvydas Sarocka	Independent member	-
Kustaa Aima	Member	-
ADMINISTRATION		
Saulius Jurgelenas	General Manager	-
Nerijus Drobavicius	Chief Financial Officer	-

Beginning and end of the term of office of members of the Management Board and members of the Audit Committee:

Name, surname	Beginning of the term in office	End of the term in office
MANAGEMENT BOARD		
Darius Sulnis	27.04.2006	2010
Darius Zaromskis	27.04.2006	2010
Martynas Cesnavicius	31.07.2006	2010
Martin Oxley	24.04.2009	2010
Ashwin Roy	26.04.2007	2010
Vytautas Bucas	26.04.2007	24.04.2009
AUDIT COMMITTEE		
Alina Nausedaite	27.10.2008	2010
Mindaugas Lankas	27.10.2008	2010
Arvydas Sarocka	27.10.2008	2010
Kustaa Aima	27.10.2008	2010

(all amounts are in thousand LTL unless otherwise stated)

24. Data about members of the Management Board, members of the Audit Committee, Managing and Finance Directors (cont'd)

Data about cash payments, other transferred property and given warranties jointly to all members of the Management Board, members of the Audit Committee, members of administration and average extent belonging to each member of the collegial bodies and administration during the reporting period:

	Remuneration, LTL	Tantiemes, other payments made from profit, LTL	Other transferred property
Members of the Management Board jointly	-	-	-
Each member of the Management Board (average)	-	-	-
Members of the Audit Committee jointly	25,356*	-	-
Each member of the Audit Committee (average)	6,339*	-	-
Members of Administration (General Manager and Chief Financial Officer) jointly	569,382	-	-
Each member of Administration (average)	284,691	-	-

* Chairman of the Audit Committee Alina Nausedaite was paid salary as Sanitas lawyer. Average amount of remuneration for each member of the Audit Committee was paid for one members of the Audit Committee.

25. Agreements with Company's employees and members of managing bodies providing compensation in the case of they resignation or dismissal without serious reason or if their employment ends because of the change of the control on the Sanitas

The Company has not signed agreements with its employees regarding payment of the compensations in the case of their resignation or dismissal without serious reason or if their employment ends because of the change of the control on the Company.

V. SANITAS GROUP ACTIVITY REVIEW

26. Non-financial activity review

26.1. Manufacturing

In the first half of 2009 Sanitas continued to manufacture stability batches for Sanitas products and contract manufacturing partners. While the manufacturing in tablets is connected with re-formulation of the products and adopting to new technology all registration documentation is prepared simultaneously.

Production of Sanitas:

Product	30.06.2009	30.06.2008
Ampoules	11.4 million	18.1 million
Tablets	8.6 million	66.8 million

The major cause of differences between manufacture volumes in the first half of 2008 and the first half of 2009 is securing stock of Sanitas products for the period set of to run new plant. Eyes drops and pre-filled syringes lines were prepared to run from the technical point of view during the first half of 2009.

Annual capacities of the new Sanitas plant:

- Ampoules – 55 million;
- Tablets and capsules – 350 million;
- Eye drops – 15 million bottles;
- Disposable syringes – 15 million.

Due to the requirements of pharmaceutical regulations to keep stability batches in quarantine for at least half a year, production in full capacities will be started only in the second half of 2009 in the new plant of the Company.

(all amounts are in thousand LTL unless otherwise stated)

26. Non-financial activity review (cont'd)

26.1. Manufacturing (cont'd)

Production of Jelfa:

Product	30.06.2009	30.06.2008
Tablets	325.3 million	317.0 million
Ampoules	34.3 million	41.9 million
Ointments	9.3 million	17.1 million

Jelfa continued introduction of new products in the first half of 2009. A couple of inspections were performed in Jelfa, the company received several certificates on the base of them. GMP certificates for tablets and liophilisation departments were prolonged.

Hoechst-Biotika went through investment process allowing company to be certified by Latvian pharmaceutical company Grindex as a manufacturing place for Ukrainian market and enjoy highest production volumes since ever connected with employees reduction coming purely from the efficiency improvements.

Production of Hoechst-Biotika:

Product	30.06.2009	30.06.2008
Tablets	94.1 million	154.4 million
Ampoules	37.9 million	18.8 million

In December 2008 Jelfa acquired Homeofarm. In the first half of 2009 it was focused on commercial and logistic issues in order to prepare the transfer manufacturing from Gdansk to Jelenia Gora. The main reason for reduced manufacture volumes of Homeofarm in comparison with the first half of 2008 is stocking up due to the harmonization.

Production of Homeofarm:

Product	30.06.2009	30.06.2008
Ointments	0.7 million	1.1 million

26.2. Employees

184 employees worked at Sanitas on 30 June, 2009. Number of employees has decreased by 7 employees comparing with 30 June, 2008 (191 employees were working at Sanitas on 30 June, 2008). There was no significant range of employees number during reporting period. Number of specialists increased marginally (by 8%), number of workers decreased (by 12%) as a result of manufacture modernisation processes.

Total number of employees of Sanitas group decreased by 5% (i.e. by 72 employees) during reporting period and was 1,422 on June 30, 2009 (1,493 employees on 30 June, 2008).

894 employees worked at Jelfa on 30 June, 2009, 1 year ago number of employees was 955. Number of employees decreased by 7%. The main reason of this decrease is optimization of manufacturing processes after which new employees were not hired instead of retired ones.

18 employees worked at Homeofarm on 30 June 2009. Only 1 new employee was hired from the acquisition of Homeofarm.

Number of employees decreased in Hoechst-Biotika from 347 to 326. The decrease was mainly influenced by re-patronization of the Sanofi-Aventis production and security service outsourcing.

Sanitas employment contracts or collective agreements do not provide for any extraordinary rights or obligations to the employees or any party thereof. All legal entities forming Sanitas group pay particular severance pays according to the applicable local law. Jubilee benefits are paid to the employees who have served a specified number of years of employment according to collective agreements.

26. Non-financial activity review (cont'd)

26.2. Employees (cont'd)

As at June 30, 2009 the number of employees was as follows:

- Sanitas – 184;
- Hoechst – Biotika – 326;
- Jelfa – 894;
- Homeofarm – 18.

Average number of employees for the first half of 2009 was as follows:

- Sanitas – 187;
- Hoechst – Biotika – 336;
- Jelfa – 903;
- Homeofarm – 18.

Breakdown of employees by levels of positions:

Employee group	30.06.2009		30.06.2008	
	Sanitas	Sanitas group	Sanitas	Sanitas group
Top Managers	8	25	9	24
Specialists	82	691	76	704
Workers	94	706	106	765
Total	**184**	**1,422**	**191**	**1,493**

Breakdown of employees by education:

Employee group	30.06.2009		30.06.2008	
	Sanitas	Sanitas group	Sanitas	Sanitas group
University education	83	568	78	565
College education	33	477	39	203
Secondary or vocational education	66	367	73	454
Incomplete secondary education	2	10	1	271
Total	**184**	**1,422**	**191**	**1,493**

Average monthly salary in Litas:

Employee group	30.06.2009		30.06.2008	
	Sanitas	Sanitas group	Sanitas	Sanitas group
Top Managers	23,442	39,338	24,784	27,168
Specialists	3,696	4,948	3,712	5,643
Workers	2,064	2,559	2,211	2,740

26.3. Environment

Environmental issues were considered in all areas of the activity of the Company during the reporting period. In the processes of manufacture, packaging and quality control water and energy were economized. Atmosphere and soil were preserved from the possible pollution.

10.48 tons of pollution got into environment from Sanitas stationary and mobile sources of pollution in the first half of 2009 (9.1 tons in the first half of 2008). Sanitas stokehold burnt 196,284 nm^3 of natural gas (181,887 nm^3 in the first half of 2008), 6 units (16 during the first half of 2008) of 79 liters balloons of mixture of thin propane-butane gases, i. e. 105.702 m^3 (282.48 m^3 in the first half of 2008), were used during the technological process.

Sanitas used 34 (30 in the first half of 2008) cars and 1 mobile loader during the reporting period. The biggest part of the cars used diesel. 8.09 tons of pollution got into environment from mobile sources of pollution (8.1 tons during the first half of 2008).

26. Non-financial activity review (cont'd)

26.3. Environment (cont'd)

During the reporting period Sanitas accumulated about 3 tons of waste (2.1 tons in the first half of 2008), 0.6 tons of them were hazardous (0.5 tons in first half of 2008). Manufacture and daily waste accumulated in the territory of the Company were sorted, recorded and taken out by waste administering companies (Toksika, UAB, Super Montes, UAB, Korys, UAB) so causing as little as possible danger to the environment.

Sanitas used 11,000 m^3 of water (13,000 m^3 during the first half of 2008). Pollution of surface and fecal outflow is observed, analyses of major pollution parameters performed according to the agreement signed with Nacionalines Visuomenes Sveikatos Tyrimu Centras.

Chemical materials are warehoused only in the intended premises in order to avoid their passing into the environment. During the reporting period 0.29 tons of volatile organic compounds comprised (0.24 tons in the first half of 2008) while using materials having solvents. It is planned to reduce expenses for rain outflow monitoring analysis during the next half of the year.

In the first half of 2009 Jelfa used 60,102 m^3 of municipal water and 15,530 m^3 of surface water so it produced 75,632 m^3 sewage. Quantity of diesel fuel consumed by power generator was 171 dm^3, the consumption of urban gas -12,851 m^3. Jelfa prepared project which will improve system of discharging the odors from sewage treatment plant to the free-emitor. This project is supposed to be implemented in the second half of 2009. In the first half of 2009 breeding of rabbits has been limited and breeding of mice and rats was stopped. It reduced the amount of produced waste from breeding in 40%. Jelfa plans to stop breeding any animals to the end of 2009..

Following legal requirements Homeofarm prepared certain obligatory reports on environmental issues for the first and second quarter of the year. In the first half of the year Homeofarm collected 1,230 kilos of plastic waste, 2,741 kilos of aliuminium packaging, 7,365 kilos of paper waste, 2,400 kilos of wood waste. Amounts of hazardous waste are being registered all the time and reported once a year, so far 6 tons were collected.

In the first half of 2009 Hoechst – Biotika liquidated 78.3 tones of waste (in the first half of 2008 - 63.2 tons). 4.5 tones of hazardous waste (in the first half of 2008 - 5.9 tones) were burnt and the other 51.78 tons (in the first half of 2008 - 33.19 tons) of waste were recycled or used as secondary raw materials. Hoechst-Biotika used 50 cars (9 in Martin, 31 in Prague and 10 in Bratislava). Hoechst – Biotika is not considered as a significant air, water and soil contaminator.

Environmental goals of Hoechst-Biotika for 2009 – 2014:

- To decrease financial costs for disposal of plastic waste by 2% in comparison with 2008;
- To decrease financial costs for disposal of hazardous waste by 2% in comparison with 2008;
- To substitute freon coolant mixtures;
- To check – up sewage canalization.

26.4. Sanitas Group's research and development activity

Sanitas Group submitted 77 requests for Marketing Authorizations and received 56 approvals during first half of 2009. More than 50 Marketing Authorization approvals are expected to be received during the second half of 2009.

Inhouse development of new products is on track and, depending on the length of Clinical trials new products are expected to contribute to Sanitas portfolio in years 2011 and later.

(all amounts are in thousand LTL unless otherwise stated)

26. Non-financial activity review (cont'd)

26.5. Purchases

During the reporting period Jelfa's purchases of raw and packaging materials dropped by 3% , Sanitas' – by 44%, Hoechst – Biotika's – increased by 3% in comparison with the first half of 2008.

	Group		Company	
	January – June 2009	**January – June 2008**	**January – June 2009**	**January – June 2008**
Active ingredients	9,591	13,460	306	437
Ampoules	5,130	4,558	324	382
Excipients	3,408	3,654	40	16
Boxes	2,656	3,297	66	299
Bulk	2,614	2,791	304	489
Tubes	2,525	4,388	-	-
Plastic foils	1,044	1,346	42	105
Leaflets	772	760	12	65
Self adhesive labels	715	713	17	69
Metal foils	537	488	21	50
Packaging materials from PE/PP	503	716	-	-
Other packaging materials	332	451	3	52
Corrugated boxes	256	354	3	40
Other raw materials	29	46	3	35
	30,112	**37,022**	**1,141**	**2,039**

Decrease in Jelfa was conditioned by low production quantities for Polish market due to harmonization related issues. However, this decrease was partially compensated by depreciation of Polish zloty against Euro. Sanitas purchases were significantly lower due to moving of production to the new premises and lack of production due to regulatory related reasons. Purchases of Hoechst – Biotika increased due to higher production capacity occupation in comparison to the last year.

Purchases of active ingredients constitutes the most significant part of all purchases in Jelfa and Sanitas, this trend is not kept by Hoechst – Biotika as this company is the most toll manufacturing oriented and the majority of active ingredients are presented by toll manufacturing suppliers free of charge. Purchases of other groups of materials in each legal entity depend on products produced: Jelfa purchases a lot of tubes and excipients, as they are used for ointments production, Sanitas and Hoechst – Biotika is more injectables oriented, for this reason ampoules' purchasing value is very high in those companies.

26.6. Sales and products distribution

The first half of 2009 was negatively affected by discontinuation of sales of non-harmonized products in Poland. Sales also decreased compared to the same period in 2008 due to limited sales to Russian distributors. The Group discontinued selling to Russian customers that had overdue unpaid balances to the Group. At the same time distributors in all markets started to decrease their working capital – average inventory level in the channel decreased from 2-3 months level one year ago down to 1-2 month level in 2009. The Group's ex-factory sales slowed down as distributors were selling inventories that they have in the warehouses.

Due to unclear market situation in target countries, the Group currently does not expand its operation to new markets. The Group is successfully developing sales in regions, where it is already present (Slovakia, Czech, Hungary and Bulgaria). High sales in the above mentioned regions compensated lower sales in Lithuania and Latvia, where sales decreased because new plant in Lithuania started its commercial production in second half of 2009.

The Group launched over 20 new products during the first half of 2009, which contributed by 9.5 mLTL to total sales of the Group.

More details about Company and the Group sales are presented in the first half of 2009 are presented in the Interim Condensed Consolidated and the Parent Company's Financial Statements for the period ended 30 June 2009 Note 4 "Segment information".

(all amounts are in thousand LTL unless otherwise stated)

26. Non-financial activity review (cont'd)

26.7. Competitors

The main competitors of Sanitas Group are other pharmaceutical manufacturers supplying generic medicine to Central and West European markets.

Main competitors of Sanitas producing tablets are Liuks, UAB, Sopharma, Grindex, Actavis; producing injective preparations – Sandoz, Gedeon Richter; in the market of food supplements – Valentis; and in ointments segment – Grindex and Actavis. Hoechst-Biotika produces injectables, tablets and ointments. Its main competitor is Zentiva. Polpharma, GlaxoSmithKline, Sandoz and other Polish and foreign companies have strong positions in Poland.

27. Financial activity review

Gross margin decreased in 2009 in comparison to 2008 due to decreased sales. As raw materials costs comprise only about 20% of cost of sales, decreasing sales negatively impacted gross margin due to fixed manufacturing cost.

Low sales in the first half of 2009 negatively affected EBITDA for 2009, as majority of operating costs are fixed. EBITDA margin decreased down to 15% in the first quarter. Improvement in sales of the second quarter of 2009 was positively reflected in the EBITDA margin, which grew up to 25%, composing the average EBITDA margin of 21% for the first half of 2009 (30% margin for the same period of 2008).

Sanitas group's key financial ratios as well as their dynamics in 2009:

	January – June 2009	**January – June 2008**	**April – June 2009**	**April – June 2008**	**January-March 2009**	**January-March 2008**	**2009 Q2 vs Q1**	**YTD 2009 vs 2008**
		(restated)		**(restated)**		**(restated)**		
Sales	153,320	193,629	89,277	96,950	64,043	96,679	39%	-21%
Cost of sales	(73,560)	(83,299)	(39,716)	(42,104)	(33,844)	(41,195)	17%	-12%
Gross profit	**79,760**	**110,330**	**49,561**	**54,846**	**30,199**	**55,484**	**64%**	**-28%**
Gross profit margin %	*52.02%*	*56.98%*	*55.51%*	*56.57%*	*47.15%*	*57.39%*	*8.36%*	*-4.96%*
Other income	2,818	1,188	1,388	345	1,430	843	-3%	137%
Selling and distribution expenses	(39,556)	(46,623)	(22,071)	(22,724)	(17,485)	(23,899)	26%	-15%
% of revenue	*25.80%*	*24.08%*	*24.72%*	*23.44%*	*27.30%*	*24.72%*	*-2.58%*	*1.72%*
Regulatory affairs expenses	(6,566)	(8,231)	(3,864)	(4,704)	(2,702)	(3,527)	43%	-20%
% of revenue	*4.28%*	*4.25%*	*4.33%*	*4.85%*	*4.22%*	*3.65%*	*0.11%*	*0.03%*
Research and development expenses	(758)	(1,621)	(240)	(829)	(518)	(792)	-54%	-53%
% of revenue	*0.49%*	*0.84%*	*0.27%*	*0.86%*	*0.81%*	*0.82%*	*-0.54%*	*-0.34%*
Administrative expenses	(17,201)	(17,570)	(8,620)	(9,473)	(8,581)	(8,097)	0%	-2%
% of revenue	*11.22%*	*9.07%*	*9.66%*	*9.77%*	*13.40%*	*8.38%*	*-3.74%*	*2.14%*
Other expenses	(2,234)	(809)	(1,539)	(601)	(695)	(208)	121%	176%
EBIT	**16,263**	**36,664**	**14,615**	**16,860**	**1,648**	**19,804**	**787%**	**-56%**
EBIT margin %	*10.61%*	*18.94%*	*16.37%*	*17.39%*	*2.57%*	*20.48%*	*13.80%*	*-8.33%*
Financial activity, net	(18,807)	(16,067)	676	(8,142)	(19,483)	(7,925)	-103%	17%
EBT	**(2,544)**	**20,597**	**15,291**	**8,718**	**(17,835)**	**11,879**	-186%	-112%
Income tax	5,018	(622)	196	938	4,822	(1,560)	-96%	-907%
Net profit (loss)	**2,474**	**19,975**	**15,487**	**9,656**	**(13,013)**	**10,319**	-219%	-88%
EBITDA	**32,733**	**57,422**	**22,938**	**27,422**	**9,795**	**30,000**	**134%**	**-43%**
EBITDA margin %	*21.35%*	*29.66%*	*25.69%*	*28.28%*	*15.29%*	*31.03%*	*10.40%*	*-8.31%*
PLN/LTL rate used for consolidation	0.7711	0.9893	-	-	0.7643	0.9661	1%	-22%

28. Main risks and risk management

The Group is exposed to interest rate, liquidity, foreign exchange and credit risks. The detail information about these risks management is presented in the Interim Condensed Consolidated and the Parent Company's Financial Statements for the period ended 30 June 2009 Note 14 "Financial risk management objectives and policies".

29. Related party transactions

In 2009 Sanitas Group had related party transactions with the shareholder of the Company Amber Trust II, Invalda, AB and its associates (FMI Finasta, AB, Finasta Imoniu Finansai, AB, Acena, AB, Baltic Amadeus Intrastrukturos Paslaugos, UAB) and other shareholders (Darius Sulnis, Tomas Nauseda, Jonas Bielinis, Nerijus Nauseda, Alvydas Dirvonas, Donatas Jazukevicius, Darius Zaromskis, Arunas Tuma). More details of these transactions are presented in the Interim Condensed Consolidated and the Parent Company's Financial Statements for the period ended 30 June 2009 Note 15 "Related party transactions".

VI. OTHER INFORMATION

30. Order of amendment of Sanitas Articles of Association

The Articles of Association of the Company may be amended on the basis of the decision adopted by the General Shareholders Meeting with the 5/6 (five sixths) majority votes of the shareholders present in the General Shareholders Meeting. After the General Shareholders Meeting has adopted the decision to change the Articles of Association, the whole text of the changed Articles of Association is laid out with the signature of the person authorised by the General Shareholders Meeting. Amended Articles of Association must be registered in the Register of Legal Entities according to the terms specified in the law

31. Significant agreements the party of which is Sanitas and which would come into force or terminate in the case of change of control on the Company

The Company is not a party of significant agreements that would come into force or terminate in case of change of control on the Company.

32. Data about Company's publicly disclosed information

Sanitas publicly announced all information as it is required by law for listed companies (annual, interim information, transaction (-s) in issuer's securities concluded by the manager of the issuer, material events and etc.). It is possible to become familiar with the publicly disclosed information on NASDAQ and Company's webpages.

33. Main events for the first half of 2009

- On 12 January 2009 transaction on sale of part of Sanitas shares held by Invalda, AB to Baltic Pharma Limited was completed.
- On 24 April 2009 Company's General Shareholders Meeting was held, it resolved questions assigned to the competence of the General Shareholders Meeting, approved consolidated and Company's financial statements and annual report for 2008. Resolution to elect Martin Oxley to the Management Board instead of resigned Vytautas Bucas was made.
- On 28 April 2009 Ashwin Roy was elected as the Chairman of the Management Board instead of Darius Sulnis.

34. Main features of internal controls and risk management system for consolidated financial reports preparation

The Group management assures that Group accounting and finance departments employees have relevant competence, experience and up-to-date knowledge needed for consolidated financial reports preparation. The control of prepared reports quality is performed by segregation of duties. All consolidated financial reports are prepared by Sanitas accounting or finance departments employees and are reviewed in a detail way and approved by Chief Accountant or Chief Financial Officer. Sanitas has the Audit Committee, which supervises the reporting process and prepares the reports to the Management Board twice a year.

35. Compliance with the Governance code for the companies

Disclosure from the Company concerning the compliance with the Governance Code for the companies listed on the regulated market of NASDAQ was publicly announced and provided to the Lithuanian Securities Commission together with the annual report for 2008. No changes took place in the said information within the first half of 2009.